



Engines for Building Rural Endowments: *An RDP Thinking & Action Framework*

Introduction & Story

Presented by:

Janet Topolsky, Elizabeth Myrick,
Pat Vasbinder & Sidney Armstrong

Our Goals This Morning:

- **To offer context & touch upon key questions, including:**
 - **Why is rural different?**
 - **Why build an engine for rural endowments?**
 - **Why a framework?**
- **To introduce the Six Steps of *A Thinking & Action Framework***
- **To walk through each step with the help of *an illustrative Big Sky story!***

Part O. Orientation & Context

- **Why use this framework?**
- **What's special about rural community foundations?**
- **What are some challenges faced by rural community foundations?**
- **And, finally, lingo, tips, disclaimers...and a plea for beta-user help!**

Why use this framework?

THE NAME OF THE GAME:

Action → Reflection → Adjusted Action

Over time,
the *regular and repeated* practice of
Action → Reflection → Adjusted Action
is what turns a rural endowment-building effort
into a rural endowment-building *engine*.

What's special about community foundations in rural areas?

Unlike most institutions in most rural regions, they can offer:

- **The Whole Picture**
- **Strategic Flexibility**
- **Inclusive and Non-partisan**
- **The Regional Resource**
- **Permanence**

Challenges faced by rural community foundations

- **Sparse. Distance.**
- **Everyone knows everybody – *and* their business.**
- **Asset base is held in different forms, or at least in different balance (e.g., more of it is in land).**
- **Individuals of great wealth generally are scarcer.**
- **Typically, a lower-threshold understanding of endowment.**
- **Trust is critical; the insider and outsider distinction is more important – relevant to who does the “ask”**
- **But....owning and controlling local resources has great salience**

Lingo, tips, disclaimers...and a plea

- **Lingo:** Use your own, but explain it please!
(hmm....*designated or agency?*)
- **Tips:** Have a REB Team!
Use the tools and exercises
- **Disclaimer:** This is a **ROUGH** draft.
- **Help!** Calling all beta-users! *That's you!*

Step 1. Know Yourself

- **Why bother with this step?**
- **Who should help with this step?**
- **What to know:**
 - **Ages & Stages**
 - **Assets**
 - **Operating Budget**
 - **Staffing Capacity**
 - **Board Make-up and Capacity**
 - **Mix of Current Endowment Funds**
 - **Past Rural Donors & Targets**
 - **Past Rural Endowment Building: Successes & Failures**

Tools and Exercises ...

Past Rural Donor Targets & Givers

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PAST RURAL DONOR TARGETS AND GIVERS						
	What types of donors have we targeted for rural endowment?	What has been our level of effort with each type of donor?			What's been our level of return?	
		None at all	Spontaneous	Serious targeted effort	Zero	So So
Individuals	Highly visible individuals					
	General public					
Groups	Highly visible individuals					
	Alumni (community regional)					
Businesses	Locally owned businesses					
	Alumni					
Non-Profit	Statewide business					
	Non-Profit					
Government	Government					
	Government					
Foundations	Walt/Regional Foundations					
	Family Foundations					
Corporate	Corporate Foundations					
	Corporate Foundations					

PAST RURAL ENDOWMENT BUILDING SUCCESSES/FAILURES						
TACTIC	How we tried to build rural-focused endowment?			If we've tried it, how well has it worked to build rural-focused endowment?		
	Lead tactic	Occasional tactic	Never used it	Pretty well	Not very well	Only focused (in either case)
Educate professional advisors						
Cultivate one-on-one relationships						
Organize special events						
Organize/sponsor community events						
Provide match insurance						
Reach via direct mail						
Reach out to media						
Enlist local donor services						
Offer menu of "high cost" donor services						
Emphasize donor-advised funds						
Emphasize agency endowments & scholarships						
Emphasize community & area funds						
Emphasize issue-oriented funds						
Emphasize foundation's leadership & priorities delivery						
Other _____						
Other _____						
Other _____						

Past Rural Endowment Building: Successes & Failures

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Step One

Step 2. Know Your Environment

- **Why scan your environment?**
- **Rural Giving and Giving Potential**
 - Giving & Giving Potential among donor groups
 - Sources and Resources
- **Area Competition**
 - Sources and Resources
- **Area Culture and Economy**
 - Sources and Resources

Donor Targets - p.30

Current full-time residents

- *High-wealth*
- *General public*

Part-time/former residents

- *High-wealth*
- *Alumni*

Businesses

- *Locally owned*
- *Absentee*
- *Stakeholder*

Organizations/agencies

- *Non-government*
- *Government*

Foundations

- *Nat'l/regional*
- *Family*
- *Corporate*

EXERCISE 1: RURAL GIVING AND GIVING POTENTIAL

	Rural donor targets	Rural giving Over the last three years, not counting their giving through our community foundations, they actually gave to rural:				Donor's wealth, or rural giving potential	
		To what?	When?	How much?	In what form? (cash, non-cash assets, bequests, etc.)	Is what form?	For what rural purpose?
Current full-time residents	High-wealth individuals						
	General public						
Part-time/former residents	High-wealth individuals						
	Alumni community/regional						
Businesses	Locally owned businesses						
	Absentee businesses						
	Stakeholder businesses						
Organizations/agencies	Non-government						
	Government						
Foundations	Nat'l/regional foundations						
	Family foundations						
	Corporate foundations						



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Step Two

Step 3. Set Your Position & Goal

- **What is “position” and what are “positioning statements” – why should we care?**
- **Determining your current position:**
 - **Who are we?**
 - **What business are we in?**
 - **Whom (which people, organizations, communities, regions, populations) do we serve?**
 - **What special needs of our customers do we address?**
 - **With whom do we compete in serving these customers?**
 - **What makes our products and services different from what our competitors offer?**
 - **What is the unique benefit or value our customers derive from our products and services?**

Who do we *want* to be?

Developing a positioning statement:

- Same basic questions, but this time: imagine whom you would like to be...
- What would it take to get you there?

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Question	What I wish for my community foundation...	My most difficult answer	Two things that would help us get there...
Who are we?			
What business are we in?			
Whom (which people, organizations, communities, regions, populations) are we serving today? (These are our "customers")			
What are the special needs of our customers that we currently address?			
With whom do we currently compete in serving these customers with these services?			
What makes our products and services different from what our competitors are offering?			
What, if any, is the unique benefit or value our customers currently derive from our products and services?			

Prevailing Positions

Community Vitality

Nonprofit Vitality

Regional Vitality

Donor Services

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RURAL COMMUNITY FOUNDATION PREVAILING POSITIONS

Implications	Position emphases			
	Community Vitality Emphases	Nonprofit Vitality Emphases	Regional Vitality Emphases	Donor Service Emphases
Participation	helps increase or people from attitudes and actions or (in, closely) relationships in the community, but tends to limit participation by nonprofit professionals, staff, and sometimes boards or area nonprofits	tends to be inclusive depending on the individuals and agencies represented in the regional community, but tends to limit participation by nonprofit professionals, staff, and sometimes boards or area nonprofits	tends to be inclusive based on regional issues, participation as the regional community, but tends to limit participation by nonprofit professionals, staff, and sometimes boards or area nonprofits	tends to be more exclusive (generally, individuals or high wealth or standing in the community—going to people or being through them in many ways, establishing a study)
Fund raising	Active Fundraising (emphasized) tends to be more active in fundraising efforts	Active Fundraising (emphasized) tends to be more active in fundraising efforts	Active Fundraising (emphasized) tends to be more active in fundraising efforts	Active Fundraising (emphasized) tends to be more active in fundraising efforts
Donor info	seek large or diverse but generally results in no "all community" efforts; tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	seek large or diverse but generally results in no "all community" efforts; tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	seek large or diverse but generally results in no "all community" efforts; tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	seek large or diverse but generally results in no "all community" efforts; tends to be more active in fundraising efforts; tends to be more active in fundraising efforts
Convergence	seek common or mediator among community members, broad community on issues and community planning; tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	seek common or mediator among community members, broad community on issues and community planning; tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	seek common or mediator among community members, broad community on issues and community planning; tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	seek common or mediator among community members, broad community on issues and community planning; tends to be more active in fundraising efforts; tends to be more active in fundraising efforts
Program planning	focus on local knowledge, organizations and practices	focus on regional knowledge, organizations and practices	focus on regional knowledge, organizations and practices	focus on regional knowledge, organizations and practices
Grantmaking methods	meritocracy, even though local advocacy committees but always always demands program plan to be present and visible in community	meritocracy, even though local advocacy committees but always always demands program plan to be present and visible in community	meritocracy, even though local advocacy committees but always always demands program plan to be present and visible in community	meritocracy, even though local advocacy committees but always always demands program plan to be present and visible in community
Operating costs	emphasizes the structure does not need to fully cover community work, tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	emphasizes the structure does not need to fully cover community work, tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	emphasizes the structure does not need to fully cover community work, tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	emphasizes the structure does not need to fully cover community work, tends to be more active in fundraising efforts; tends to be more active in fundraising efforts
Board make-up and capacities	emphasis on individuals with community involvement and knowledge, and achieving a board that "reads like" the community	emphasis on individuals with corporate experience and knowledge, and achieving a board that "reads like" the community	emphasis on individuals with corporate experience and knowledge, and achieving a board that "reads like" the community	emphasis on individuals with corporate experience and knowledge, and achieving a board that "reads like" the community
Development staff capacities	emphasizes the structure does not need to fully cover community work, tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	emphasizes the structure does not need to fully cover community work, tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	emphasizes the structure does not need to fully cover community work, tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	emphasizes the structure does not need to fully cover community work, tends to be more active in fundraising efforts; tends to be more active in fundraising efforts
Program staff capacities	emphasizes the structure does not need to fully cover community work, tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	emphasizes the structure does not need to fully cover community work, tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	emphasizes the structure does not need to fully cover community work, tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	emphasizes the structure does not need to fully cover community work, tends to be more active in fundraising efforts; tends to be more active in fundraising efforts
A message emanates from this position stands like	active voice and building for the community work and community planning; tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	active voice and building for the community work and community planning; tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	active voice and building for the community work and community planning; tends to be more active in fundraising efforts; tends to be more active in fundraising efforts	active voice and building for the community work and community planning; tends to be more active in fundraising efforts; tends to be more active in fundraising efforts

Set your goal!

- **What is our rural endowment-building goal?**
 - What type funds do we want to build?
 - What type & number of donors do we want to target?
 - How much can we realistically (but *bodaciously*) raise?
 - Over what period of time?

- **GOAL STATEMENT:**

**To build rural endowment and enhance rural vitality,
we will raise _____ dollars from _____ donors
(number and type) through _____ type/mix
of funds over _____ time.**



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Step Three

Step 4. Choose Your Tactics

Matching Tactics with Donor Targets p. 59

MATRIX OF MOST EFFECTIVE TACTICS FOR REACHING RURAL DONOR GROUPS															
TACTIC	Donor Groups														
	Current Donors		Current Residents		Part-time/Former Residents			Businesses			Organizations		Foundations		
	High-wealth	General public	High-wealth	General public	2nd-home owners	Seasonal sunbirds	Alumni	Locally owned	A business	Stateholders	Municipal/schools/churches	Government	National	Family	Corporate
Educate professional advisors	✗		✗								✗				
Cultivate one-on-one relationship	✗				✗								✗	✗	✗
Sponsor exclusive events	✗		✗		✗										
Sponsor community events		✗			✗	✗	✗	✗							
Provide match incentive		✗					✗	✗	✗	✗	✗	✗		✗	✗
Pitch via direct mail		✗		✗		✗	✗								
Reach out to media	✗	✗		✗				✗							
Ensure basic donor services	✗	✗	✗	✗	✗	✗	✗				✗				
Provide users of "high touch" donor services	✗		✗											✗	
Emphasize donor-advised funds			✗		✗										
Emphasize agency endowments & scholarships					✗		✗				✗				
Emphasize community & area funds		✗		✗				✗	✗	✗		✗		✗	
Emphasize issue-oriented funds				✗	✗	✗	✗	✗	✗	✗		✗	✗	✗	✗
Emphasize leadership & program delivery								✗	✗	✗		✗	✗	✗	

Exploring Tactics

- 1. Educate Professional Advisors**
- 2. Cultivate One-on-One Relationships**
- 3. Sponsor Exclusive Events**
- 4. Sponsor Community Events**
- 5. Provide Match Incentive**
- 6. Pitch via Direct Mail**
- 7. Reach Out to Media**
- 8. Ensure Basic Donor Services**
- 9. Offer Menu of "High Touch" Donor Services**
- 10. Emphasize Donor-Advised Funds**
- 11. Emphasize Agency Endowments & Scholarships**
- 12. Emphasize Community & Area Funds**
- 13. Emphasize Issue-Oriented Funds**
- 14. Emphasize Foundation's Leadership & Program Delivery**
- 15. Others ??**

Tactic by tactic ... example: Sponsor exclusive events.

Explanation of the Tactic

- CF joins with individual donor/host to invite high-wealth prospects to invitation-only dinner, cocktail hour, exhibit or reception where guests mingle or tour a beautiful home; at some point during the event, guests hear some information about the CF, what it does and how they can become involved.

Best Donor Target(s)

- High wealth donors (current & prospective)
- Second home owners

Helpful Capacities (for implementing the tactic)

- Event planning expertise
- The right guest list & host: people/homes that others admire, envy or aspire to be
- Ability to follow up event with a specific request for a gift or “the ask”
- *and so on*

Example: Sponsor exclusive events. *cont.*

Obstacles/Challenges

- Cost—these are not events to “skimp” on—helps if the host offers to foot the bill
- Inviting the right people, timing, etc.—events must be well-orchestrated; do not want to become “just another cocktail party”
- *and so on*

Pay off

- Introduces foundation to high wealth individuals through an admired friend/colleague
- Sense of excitement around community endowment; gives staff a reference point when following up on new prospects: “I met you at so-and-so’s home ... ”
- *and so on*

Pay-off Horizon: Mostly intermediate or long-term

Gifts : Bequests and, depending on event, gifts to field of interest funds

Examples: New Hampshire Charitable Fdn., Maine Community Fdn.

Step 5. Gauge Your Capacities – p. 104

CHART 3: OUR TAILORED TACTIC CAPACITIES

Tailored tactic: _____

In-house capacities Who or what's responsible	Helpful capacities needed (from step 3)	Capacities to hire, borrow or contract Who or what's responsible

- **Why (and when to) consider capacities?**
- **Remember The Core**
 - Decision-making capacities
 - Operating capacities
- **Going To Market**
 - Positioning capacities
 - Goal and tactic capacities



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Steps Four & Five

Step 6. And, so what? – page 108

- Why add all this work to track progress? “*Won’t we just know **SUCCE\$\$** when we see it?*”
- Develop a plan (and do it!) to track and assess progress.

Endowment goal	Time					Compared to goal
	Start to p. goal	Midpoint 1	Midpoint 2	Midpoint 3	Finish line	
Total dollars						
Fund type 1: ■ # of funds ■ # of dollars ■ # of donors						
Fund type 2: ■ # of funds ■ # of dollars ■ # of donors						

Tactic(s) capacity main pillars	Time					Compared to goal
	Start to p. goal	Midpoint 1	Midpoint 2	Midpoint 3	Finish line	
Scaffler 1: 11/18						
Scaffler 2: 11/18						
Scaffler 3: 11/18						
Board members 11/18						
CF budget to process						
Partner resources						
In-kind resources						
Policy procedures 1 to track or improve						
Policy procedures 2 to track or improve						

THE NAME OF THE GAME:

Action → Reflection → Adjusted Action



A Grand Montana Finale

Step Six – *The Happy Ending!*